Martin-Luther-University Halle-Wittenberg
School of Economics and Business

Principles of Responsible Management Education

Communication on Progress:
Academic Years 2009 and 2010
Dean’s Note

Being one of the first subscribers of the Principles of Responsible Management Education (PRME) of the United Nations, the School of Economics and Business at Martin-Luther-University Halle-Wittenberg (MLU) has developed a clear vision how to put CSR into practice. Complying with the Global Compact’s Principles of Responsible Management Education has a strategic background: The societal environment for corporations has changed radically and is expected to continue to change. For corporations, it is becoming increasingly difficult to earn and keep their license to operate (important for their everyday business operations) as well as their license to sit at the table (important for participating in processes of “New Governance”). Therefore, the School of Economics and Business at MLU is increasingly committed to cover these issues in its current and future research, teaching and outreach activities in order to endow future managers with competencies that enable them to play a constructive role in these new processes. For us, the PRME are an expedient heuristics for Sustainability and Corporate Citizenship.

This COP documents how the School of Economics and Business has increased its efforts to implement the Principles of Responsible Management Education at MLU in Halle/Saale in the academic years 2009 and 2010.

Prof. Dr. Ingo Pies, Chair of Economic Ethics
Dean of the School of Economics and Business, Martin-Luther-University Halle-Wittenberg
The Curriculum

Traditional education in business administration focuses primarily on maximization techniques. Training the leaders for a modern economy, however, also requires acquiring competencies that enable future managers to contribute to designing and shaping social processes in a broader sense. Optimizing the moves within a given game must be complemented by learning how to help improving the rules of the game. Such competencies, however, require skills in analyzing institutions (social structure) and ideas (semantics). With regard to social structure, executives must learn the basics of a rational-choice based analysis of the incentive effects of institutional arrangements. And with regard to semantics, managers must become familiar with the (normative) thought categories that are commonly used in society to describe, evaluate and solve social conflicts.

This understanding of a sustainable education of future managers flows in into many areas of research and teaching at our university. The following courses are inspired by this logic and address in particular the issues of sustainable leadership. As we have mentioned these courses already in our 2008 communication of progress, it is perhaps adequate to just list these courses briefly without further explanatory specifications (for further information see our COC 2008).

- Lecture „Ethics of the Social Market Economy“ (Bachelor Program, Winter Term 2009/2010 and Winter Term 2010/2011, Prof. Dr. Ingo Pies)
- Seminar „Economic Ethics“ (Master Program, Summer Term 2009 and 2010, Prof. Dr. Ingo Pies)

In addition to the curriculum offered by the Chair of Economic Ethics, the School of Economics and Business at the Martin-Luther-University Halle-Wittenberg addresses since 2009 the issues of leadership and sustainability in the following courses:

- Lecture “Business and Society” (Bachelor Program, Winter Term 2009/2010 and Winter Term 2010/2011, Dr. Stefan Hielscher)
- Lecture “Sustainability II” (Master Program, Summer Term 2009 and 2010, Prof. Dr. Hans-Ulrich Zabel)
- Lecture “Sustainability III” (Master Program, Summer Term 2009 and 2010, Prof. Dr. Hans-Ulrich Zabel)
Lecture “Sustainability Economics” (Master Program, Prof. Dr. Bernd Hansjürgens, Summer Term 2009, 2010)

Principle 2

Values: We will incorporate in our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

UN Global Compact in Research and Teaching

The „Global Compact“ is the biggest initiative of corporate citizenship (CC) world-wide. As in 2008, MLU keeps focusing on the issue of CC in these two lectures each year.

Colloquium „Economic Ethics of Global Challenges“ (Summer Term 2009 and 2010, Masters Program)

The emerging world society is facing major challenges. These include the opportunities and risks of globalization, but also international issues such as climate change, prevention of corruption and the fight against infectious diseases. All these tasks are part of the Millennium Development Goals Declaration of the United Nations. The problems behind these examples can all be explained by the same analytical structure: The provision of global public goods is characterized by the fact that there is often no international consensus on values, so that common goals can be formulated only at the level of institutional arrangements (rule consensus). In discussing specific applications, students learn how to successfully generate and implement strategies that aim at meeting the consensus of the players involved in these international games.


Initiating the Global Compact, the United Nations’ Secretary General Kofi Annan officially invited the business sector to cooperate with the United Nations in a joint effort to find solutions for global problems like poverty, hunger, diseases, etc. But why should companies engage in global problem solving? Is there a business case for Corporate Citizenship? – The interactive colloquium focuses particularly on the design of processes within companies and between companies: How can formal and informal institutions get implemented that help companies fulfil their social responsibility and contribute to sustainable development? Background: Today, corporate citizens frequently find themselves in social dilemmas, i.e. situations of collective self-damage in which rational actors are not able to pursue commonly shared goals. To govern such critical situations, the institutional framework is key and therefore determines the degree of morality that is profitable (and thus possible) under market competition. A special focus is on codes of conduct and multi-stakeholder dialogues as corporate contributions to processes of “New Governance”: “Corporate Citizenship” is interpreted as a strategic management of social dilemmas by which business firms can be conducive to “Sustainability”.

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New in 2009: The Chair of Economic Ethics has also streamlined its thesis program to the issues of responsible leadership. Since 2009, the Chair offers for all final thesis candidates a portfolio of topics that primarily focuses on the areas of:

- Business ethics in business life: Corporate codes of ethics in diverse industries.
- New Governance: Cross-sectoral initiatives between civil society and industry

As a consequence, the Chair of Economics Ethics was able to attract more than 40 bachelor candidates to devote their final thesis to the issues of responsible leadership and sustainability.

As in 2008, MLU activities with regard to responsible management education are especially conducted by the following personnel:

- Prof. Dr. Hans-Ulrich Zabel, Chair of Environmental Management, Department of Business, provides students not only with a general knowledge of natural resource management but also with more specific competencies and tools in sustainable management.
- Prof. Dr. Ingo Pies, Chair of Economic Ethics, Department of Economics, refers to an “ordonomic” approach to social theory and applies it to more specific issues of economic, business and procedural ethics. His research and teaching aims at providing a deep understanding of (a) the ethical quality of a competitive market system, (b) the role of businesses as agents of social value creation and (c) the importance of the process of new governance for business activities.
- Prof. Dr. Bernd Hansjürgens, Chair of Environmental Economics, Department of Economics, provides students with the economic fundamentals of environmental problems and policies to solve them and discusses the possibility of companies to actively engage in these processes.
- New in 2009: Dr. Stefan Hielscher, post doc Scholar at the Chair for Economic Ethics, also uses the ordonomic approach to analyze and teach business ethics and on the social responsibility of companies.
- New in 2009: Holger Backhaus-Maul, Institute for Education, Department of Philosophy III, focuses on civil society, non-profit organization and corporate citizenship.

**Principle 3**

Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Creating innovative educational frameworks

As in 2008, the School of Economics and Business at the Martin-Luther-University Halle-Wittenberg (MLU) follows three main propositions concerning new structures that will enable an effective implementation of the PRME into academic life.

((1)) Properly understood, the PRME aim at educating corporate executives, and – more broadly – “social entrepreneurs”. This suggests that lessons in Business Ethics and Economic Ethics should also be made available to students from other fields (law, political science, sociology, etc.). At any rate, it would not hurt if future managers of government agencies,
political parties, and civil society organizations as well as leaders in the growing area of the third sector were equipped with basic knowledge of how a market economy works and how companies function.

((2)) Education in these competencies should be integrated into the bachelor and master programs, not with a separate degree for “ethicists”, but as a possible major within classical management education. Unlike in the US (with its Sentencing Guidelines or the Sarbanes-Oxley Act), German legislation cannot be expected to create massive incentives for a new profession of “ethics officers”. Therefore, especially in Germany, Economic Ethics and Business Ethics must choose the path to strengthen general managers’ education in the area of “strategic management”.

((3)) The traditional division of labour between business administration and economics is starting to crumble. However, a rational-choice based approach to Economic Ethics and Business Ethics can help overcome the gap. In general, students who see themselves as future managers will develop an interest in such courses to gain a better understanding of markets and competition, corporate action and the profit principle. Since it is to be expected that the increasingly mathematics-oriented field of economics will be less and less able to meet this need for providing a fundamental understanding of the working properties of business in competitive markets, new courses in the field of Economic Ethics and Business Ethics could (and should) fill the resulting vacuum.

In order to put these three propositions into practice, and to enhance the societal competencies of future managers, in 2009 -2010 the School of Economics and Business has integrated into the curricula of their business and economic Bachelor and Master programs a number of lectures or even specializations:

- “Werkstattgespräche”. In this interactive study format, students engage with sustainability and CSR topics in real academy-business workshops or even in real academic conferences. In 2010, a second “Werkstattgespräch” was introduced as a mandatory course in the Master of Empirical Economics and Policy Consulting.
- The lecture “Sustainability, New Governance and Corporate Citizenship” was included as an elective in the master program “Human Resources Management”
- “Sustainability Economics”, “Economic and Social Geography” as well as “Financial Markets” were included as major specializations in the master program in economics.

((4)) Competencies in analyzing the interdependencies between social structure and semantics requires new teaching forms. In the innovative field of Economic Ethics and Business Ethics, instructional formats must be interactive and interdisciplinary. Co-teaching and group work, including role-plays, strategy simulations and practical projects, are conducive to helping students see with their own eyes how conflicts can be structured and how consensual conflict solutions can be implemented. In order to further develop these competencies, the School of Economics and Business supported the following activities also in 2009 and 2010:

- Since 2008, MLU intensively co-operatives with the ‘German Development Agency’ (GIZ – Gesellschaft für Internationale Zusammenarbeit). Within the scope of academic courses, student teams analyze a practical project currently carried out by a division of the GIZ. This initiative is supported by a GIZ-internal project titled “Hörsaal&Projekt”.
Also in 2009 and 2010, MLU actively supported the student initiative sneep—the student network for ethics in economic education and practice. Supported by the Chair for Economic Ethics, the growing sneep team Halle has already conducted a number of workshops and a series of lectures at MLU. Particularly in 2010, the recently founded Halle sneep student group hosted the German-wide sneep 2010 conference. Supported by MLU Ph.D candidate Nina Cieslak, sneep Halle for instance organized a panel discussion on the „Microfinance of Development Policy 2.0?“

**Principle 4**

Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

**Research**

Sustainability and Corporate Citizenship are also two important research fields in the School of Economics and Business at the Martin-Luther-University. The following list presents recent publications on these topics. Interested readers may download most of these publications from the Chair of Economic Ethics’ website (http://ethik.wiwi.uni-halle.de/).

**Articles**

*in English language*


[in German language]


Principle 5

Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Outreach

As in 2008, also MLU’s 2009-2010 activities focus on a strong outreach to the corporate sector, to civil society organisations and to other universities. As part of our efforts, ...

- ... we are a member in the Academic Network of the Global Compact,
- ... we closely work together with the Global Compact’s German network and
- ... we develop new formats for mutual learning in civil-society-academic-business partnerships (e.g. in the scope of our “Theorie-Praxis” Dialogues, see principle 6).

Other Partnerships in the Field of CSR and Sustainability (2009-2010)

Academic Partners

- Professorship „Sustainability and Global Ethics“, Handelshochschule Leipzig (HHL – Graduate School of Management)
- Chair of Applied Ethics, Friedrich-Schiller-University Jena
- Chair of Institutional Economics, University Bayreuth
- Chair of International Management, Otto-von-Guericke-University Magdeburg
- Chair of Philosophy and Economics, Ludwig-Maximilians-University München
- Umweltforschungszentrum Leipzig-Halle (UFZ)
- Chair of Economics, Friedrich-Schiller-University Jena
- Chair of Economic Ethics, University Hohenheim
- Chair of Political Science, University Bamberg
- Chair of Public Law, Martin-Luther-University Halle-Wittenberg
- Chair of Political Philosophy, Martin-Luther-University Halle-Wittenberg
- Chair of Finance, Helmut-Schmidt-University Hamburg
- Chair of Political Science, University Göttingen
- New since 2009: Juniorprofessorship Social Entrepreneurship, Centre for Sustainability Management (CSM), Leuphana University
- New since 2009: Center for Interdisciplinary Economic Research, University of Muenster

Civil Society

- SNEEP – Student Network for Ethics in Economics and Practice
- Wittenberg-Center for Global Ethics (WCGE)
- Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Global Compact Germany

Foundations

- Dieter-Schwarz-Foundation
- Zeit-Foundation
- Konrad-Adenauer-Foundation
Principle 6
Dialogue: We will facilitate and support dialogue and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.

Also in 2009-2010, the School of Economics and Business at the Martin-Luther-University has used several platforms for mutual exchange among educators and between academia, business and civil society:

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, May 5-8, 2009
Young Leaders Seminar “Die Welt, in der wir leben (wollen) - ein Theorieseminar“

In cooperation with the University of Goettingen
Lutherstadt Wittenberg, May, 27-29, 2009
Tagung „Diagnosen der Moderne: Weber, Hayek, Habermas, Luhmann“

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, July, 9-10, 2009
Theory-Praxis-Dialoge „BOP – aber wie? Neue Partner zur Entwicklung innovativer Geschäftsmodelle für Menschen in Armut“

In cooperation with the University of Bayreuth
Lutherstadt Wittenberg, September 7-9, 2009
Workshop „Konzepte der Gesellschaftstheorie. Ludwig von Mises‘ gesellschaftstheoretische Praxeologie“

In cooperation with the University of Muenster and the University of Hamburg
Lutherstadt Wittenberg, October, 8-9, 2009
Workshop „Incentives. Motivation and the Economics of Information“

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, November 4-6, 2009
Young Leaders Seminar “What’s the Business of Business in a Social Market Economy? – Ein Theorieseminar zur Unternehmensethik“

In cooperation with the Vrije Universiteit Amsterdam
Lutherstadt Wittenberg November 26-28, 2009

In cooperation with :response and with the Mineralölwirtschaftsverband e.V.
Survey „Sustainability in the Petroleum Industry“, 2009
In cooperation with the University of Jena
Lutherstadt Wittenberg, January 28-29, 2010
Workshop „Angewandte Ethik“

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, May 19-21, 2010
Young Leaders Seminar “Die Welt, in der wir leben (wollen) - ein Theorieseminar“

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, June 30 – July 02, 2010
Theory-Praxis-Dialogue „Regeln helfen - Wie Governance-Innovationen
Entwicklungsgeschäfte ermöglichen“

In cooperation with the Technical University of Munich
Lutherstadt Wittenberg, August, 11-13, 2010
Wittenberger Wirtschaftsethik-Workshop

In cooperation with the University of Bayreuth
Lutherstadt Wittenberg, September 6-8, 2010
Workshop „Konzepte der Gesellschaftstheorie. William Baumols Markttheorie
unternehmerischer Innovation“

In cooperation with the University of Muenster and the University of Hamburg
Hamburg, October 7-8, 2010
Workshop „The Economics of Business Enterprise“

In cooperation with the Wittenberg-Center for Global Ethics
Lutherstadt Wittenberg, December 15-17, 2010
Young Leaders Seminar “What’s the Business of Business in a Social Market Economy? –
Ein Theorieseminar zur Unternehmensethik“
Conclusion and Outlook

The School of Economics and Business at Martin-Luther-University has a clear vision how to put the Global Compact’s Principles of Responsible Management Education into practice: MLU will further focus on sustainable development and on the potential of corporate citizenship and CSR to meet this challenge. Furthermore, MLU will work harder to making a wider audience of students familiar with these concepts. Finally, MLU will intensify its outreach activities, bringing together academia with business, politics, and civil society. In order to document the commitment to the Global Compact and its principles, MLU will continuously report on all related activities.